

2007-08 Essay Question

Chances are you've received your share of "pre-approved" credit card offers in the mail, some with low introductory rates and other perks.

Credit cards allow people to have and enjoy things now and pay for them later. It can be a cushion in emergencies and it is convenient. But credit costs money and can tempt us to overspend. More and more high school and college students are using credit cards.

Your credit report is an important record that can influence your financial life for years to come. Given the opportunity to receive a credit card at your graduation with a \$1,000 limit – state how you would use the card the first year, your reasons for charging or not charging items and how you will make payments on the credit card.

How will use of the card impact your financial goals and plans for long term goals?